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EXHIBIT 1  
DATE 03/13/2013  
SB 116

**RESOLUTION 2012 - 19**

**SPECIAL USE FUEL PERMIT BOND**

It is the intent of the Montana Association of Counties to amend or repeal obsolete statutes regarding the special use fuel permit and related bond requirements.

**WHEREAS**, House Bill 319 (2011) requires any contractor bidding on a construction contract to list their special fuel users permit number on the bid document; and

**WHEREAS**, Contractors performing work on county projects are required to obtain a special fuel users permit; and

**WHEREAS**, Contractors must use taxed fuel on county projects; and

**WHEREAS**, prior to 2001 contractors could use non-taxed fuel on county projects; and

**WHEREAS**, prior to 2005 materials could be produced using non-taxed fuel for use on county projects; and

**WHEREAS**, legislation has been enacted that now requires the use of taxed fuel on county projects; and

**WHEREAS**, obtaining a special fuel users permit requires posting a bond to assure payment of fuel taxes; and

**WHEREAS**, possessing a special fuel users permit serves no purpose when the use of taxed fuel is required on county projects; and

**WHEREAS**, contractors doing work for the Counties must expend dollars to meet the requirements for special fuel users permitting; and

**WHEREAS**, contractors pass the cost to obtain special fuel users permits onto counties.

**NOW, THEREFORE, BE IT RESOLVED**, Montana Law be amended to eliminate the requirement that contractors performing county projects possess a special fuel users permit

**BE IT FURTHER RESOLVED**, that House Bill 319 (2011) be repealed.

<b>SPONSOR:</b>	<b>MACo Districts 8, 9 &amp; 12</b>
<b>RECOMMENDATION:</b>	<b>Do Pass</b>
<b>REFERRED TO:</b>	<b>MACo Transportation Committee</b>
<b>ADOPTED:</b>	<b>Annual Conference, Great Falls, MT, September 26, 2012</b>